

# SENATE BILL 693

R2  
SB 23/ISS11 – SRU

2lr1450  
CF 2lr0850

By: Senators Pipkin, Brinkley, Colburn, and ~~Getty~~ Getty, Kittleman, Middleton, Pugh, Simonaire, and Stone

Introduced and read first time: February 3, 2012

Assigned to: Finance and Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 30, 2012

## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Maryland Transportation Authority Termination Exchange of Bonds~~  
3 ~~Task Force to Study Toll Rates and the Funding of Transportation Facilities~~  
4 ~~Projects~~

5 FOR the purpose of ~~terminating the Maryland Transportation Authority; transferring,~~  
6 ~~subject to certain exceptions, all functions, powers, duties, responsibilities,~~  
7 ~~regulations, policies, property, equipment, assets, liabilities, and employees of~~  
8 ~~the Authority to the Maryland Department of Transportation on a certain date;~~  
9 ~~requiring the State to issue revenue refunding bonds in exchange for revenue~~  
10 ~~bonds issued by the Authority before a certain date; requiring revenue~~  
11 ~~refunding bonds to be secured by tolls or other charges for the use of~~  
12 ~~transportation facilities projects; requiring the Department to fix, revise,~~  
13 ~~charge, and collect tolls and other charges for the use of transportation facilities~~  
14 ~~projects in an amount not greater than is necessary to pay the principal of and~~  
15 ~~interest on refunding bonds issued by the State under this Act as they become~~  
16 ~~due and payable; prohibiting the Department from fixing, revising, charging, or~~  
17 ~~collecting tolls or other charges unless the toll or other charge is approved by~~  
18 ~~the General Assembly through legislation enacted into law; providing for the~~  
19 ~~appointment, classification, and benefits of employees transferred from the~~  
20 ~~Authority to the Department under this Act; providing that all contracts and~~  
21 ~~agreements entered into by the Authority before a certain date are valid and~~  
22 ~~binding on the Department; requiring the publishers of the Annotated Code of~~  
23 ~~Maryland to correct any references that are rendered incorrect by this Act;~~  
24 ~~defining certain terms; and generally relating to the termination of the~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~Authority and the exchange of bonds issued by the Authority~~ establishing a  
 2 ~~Task Force to Study Toll Rates and the Funding of Transportation Facilities~~  
 3 ~~Projects; specifying the membership and staffing of the Task Force; requiring~~  
 4 ~~the Governor to designate the chair of the Task Force; prohibiting members of~~  
 5 ~~the Task Force from receiving certain compensation, but authorizing the~~  
 6 ~~reimbursement of certain expenses; authorizing the Maryland Transportation~~  
 7 ~~Authority to hire a certain consultant for certain purposes; requiring the Task~~  
 8 ~~Force to study certain issues relating to certain tolls and the funding of certain~~  
 9 ~~transportation facilities projects; requiring the Task Force to submit a report of~~  
 10 ~~its findings and recommendations by a certain date; providing for the~~  
 11 ~~termination of this Act; and generally relating to the Task Force to Study Toll~~  
 12 ~~Rates and the Funding of Transportation Facilities Projects.~~

13 ~~BY repealing~~

14 ~~Article — Transportation~~  
 15 ~~Section 4 — 101 through 4 — 406 and the title “Title 4. Revenue Facilities”~~  
 16 ~~Annotated Code of Maryland~~  
 17 ~~(2008 Replacement Volume and 2011 Supplement)~~

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 19 MARYLAND, ~~That Section(s) 4 — 101 through 4 — 406 and the title “Title 4. Revenue~~  
 20 ~~Facilities” of Article — Transportation of the Annotated Code of Maryland be repealed.~~

21 ~~SECTION 2. AND BE IT FURTHER ENACTED, That:~~

22 ~~(a) (1) In this section the following words have the meanings indicated.~~

23 ~~(2) “Authority” means the former Maryland Transportation Authority~~  
 24 ~~as it existed before October 1, 2012.~~

25 ~~(3) “Department” means the Maryland Department of Transportation.~~

26 ~~(4) “Refunding” means the retirement and cancellation of bonds,~~  
 27 ~~including revenue bonds of prior issues, after their acquisition by or for the Maryland~~  
 28 ~~Transportation Authority, whether before, at, or after maturity, either in exchange for~~  
 29 ~~other bonds or by payment, purchase, or redemption with the proceeds of the sale of~~  
 30 ~~other bonds.~~

31 ~~(5) “Transportation facilities project” means:~~

32 ~~(i) The Susquehanna River Bridge, the Harry W. Nee~~  
 33 ~~Memorial Potomac River Bridge, the William Preston Lane, Jr. Memorial Chesapeake~~  
 34 ~~Bay Bridge and parallel Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the~~  
 35 ~~Fort McHenry Tunnel, the Francis Scott Key Bridge, and the John F. Kennedy~~  
 36 ~~Memorial Highway, together with their appurtenant causeways, approaches,~~  
 37 ~~interchanges, entrance plazas, toll stations, and service facilities;~~

1                   (ii) ~~A vehicle parking facility located in a priority funding area~~  
2 ~~as defined in § 5-7B-02 of the State Finance and Procurement Article;~~

3                   (iii) ~~Any other project for transportation facilities that the~~  
4 ~~Authority authorized to be acquired or constructed; and~~

5                   (iv) ~~Any additions, improvements, or enlargements to any of~~  
6 ~~these projects.~~

7           (b) ~~Except as otherwise provided in this section, on October 1, 2012, all~~  
8 ~~functions, powers, duties, responsibilities, regulations, policies, property, equipment,~~  
9 ~~assets, liabilities, and employees of the Authority shall be transferred to the~~  
10 ~~Department.~~

11           (e) (1) ~~The State shall issue revenue refunding bonds constituting a~~  
12 ~~pledge of the full faith and credit of the State in exchange for revenue bonds, notes, or~~  
13 ~~other evidences of obligation issued by the Authority before October 1, 2012.~~

14                   (2) ~~Refunding bonds issued under this subsection shall be secured by~~  
15 ~~rentals, rates, fees, tolls, or other charges for the use of transportation facilities~~  
16 ~~projects as provided in subsection (d) of this section.~~

17           (d) (1) ~~The Department may not fix, revise, charge, or collect a rental,~~  
18 ~~rate, fee, toll, or other charge for the use of any transportation facilities project except~~  
19 ~~as provided in this subsection.~~

20                   (2) ~~The Department shall fix, revise, charge, and collect rentals, rates,~~  
21 ~~fees, tolls, or other charges for the use of transportation facilities projects in an~~  
22 ~~amount not greater than is necessary to pay the principal of and interest on refunding~~  
23 ~~bonds issued under subsection (e) of this section as they become due and payable.~~

24                   (3) ~~The Department may not fix, revise, charge, or collect a rental,~~  
25 ~~rate, fee, toll, or other charge under this subsection unless the rental, rate, fee, toll, or~~  
26 ~~other charge is approved by the General Assembly through legislation enacted into~~  
27 ~~law.~~

28           (e) ~~An employee of the Authority whose position is transferred to the~~  
29 ~~Department under this Act shall be appointed without further examination or~~  
30 ~~qualification. The employee shall be placed in a classification that is comparable in~~  
31 ~~duties and responsibilities to the employee's former position. The employee may not~~  
32 ~~suffer a diminution of salary or wages, accrued leave, whether earned or granted, or~~  
33 ~~seniority rights.~~

34           (f) ~~All contracts, agreements, grants, or other obligations entered into by the~~  
35 ~~Authority before October 1, 2012, are hereby declared to be valid, legal, and binding~~  
36 ~~obligations of the Department, enforceable in accordance with their terms.~~

~~(g) The publishers of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, shall correct any agency names, titles, or other references throughout the Annotated Code that are rendered incorrect by this Act, with no further action required by the General Assembly. The publishers shall adequately describe any such correction in an editor's note following the section affected.~~

(a) There is a Task Force to Study Toll Rates and the Funding of Transportation Facilities Projects.

(b) The Task Force consists of the following members:

(1) two members of the Senate of Maryland, appointed by the President of the Senate; and

(2) two members of the House of Delegates, appointed by the Speaker of the House;

(3) the Chair of the Maryland Transportation Authority, or the Chair's designee;

(4) the Secretary of Business and Economic Development, or the Secretary's designee;

(5) the State Treasurer, or the Treasurer's designee; and

(6) the following members, appointed by the Governor:

(i) a representative from the business community;

(ii) a representative of an organization that represents public employees;

(iii) a representative of the motor carrier industry;

(iv) a representative of the Maryland Association of Counties;

(v) a representative of the transportation construction industry;  
and

(vi) three citizens of the State, at least one of whom is from a rural area in the State.

(c) The Governor shall designate the chair of the Task Force after consultation with the President of the Senate and the Speaker of the House.

1           (d)    The Maryland Transportation Authority:

2                   (1)    shall provide staff support to the Task Force; and

3                   (2)    if necessary, may hire an independent consultant to assist and  
4 advise the Task Force on the matters for study under subsection (f) of this section.

5           (e)    A member of the Task Force:

6                   (1)    may not receive compensation as a member of the Task Force; but

7                   (2)    is entitled to reimbursement of expenses under the Standard State  
8 Travel Regulations, as provided in the State budget.

9           (f)    (1)    The Task Force shall:

10                   (i)    examine the toll rates for each of the Maryland  
11 Transportation Authority's (MDTA) toll facilities and how MDTA is using revenues  
12 from each facility, including whether toll rates are appropriate and fair and whether  
13 revenues from each transportation facility are being used in a manner that is  
14 reasonably related to the benefit that users of each toll facility derive from use of each  
15 toll facility;

16                   (ii)   examine MDTA's financial program, including its debt  
17 capacity, bond ratings, cost of borrowing, and toll revenue projections;

18                   (iii)   analyze, based on revenue projections from current toll  
19 revenues, MDTA's ability to operate, maintain, improve, and protect existing facilities,  
20 and the extent to which MDTA is able to undertake new transportation facilities  
21 projects;

22                   (iv)   analyze whether MDTA is meeting timelines and cost  
23 targets for capital projects underway, such as the project to construct express toll  
24 lanes on I-95;

25                   (v)    analyze the future system preservation needs and fiscal  
26 ability to fund future system preservation projects;

27                   ~~(vi)~~ (vi)    consider the pros and cons of tolling currently  
28 untolled portions of MDTA roadways, including any cost or safety impacts on State  
29 and local roads due to increased traffic resulting from efforts of motorists to avoid  
30 tolls;

31                   ~~(vi)~~ (vii)   examine the possibility of entering into reciprocity  
32 agreements with other states for the purpose of collecting unpaid tolls of out-of-state  
33 users of MDTA transportation facilities; and

1 ~~(vii)~~ (viii) review the operating structure of MDTA and consider  
 2 whether it is the best possible structure to meet the State's transportation needs in  
 3 the future.

4 (2) The Task Force's analysis of toll rates and revenue use shall  
 5 include:

6 (i) a comparison of rates, ~~on a per-mile basis,~~ for each toll  
 7 facility in the State ~~and~~ to other comparable transportation facilities in the region; and

8 (ii) a review of toll revenue use practices by other ~~public-private~~  
 9 partnerships similar toll entities that operate comparable transportation facilities.

10 (g) On or before December 31, 2012, the Task Force shall submit a report of  
 11 its findings and recommendations to the Governor and, subject to § 2-1246 of the  
 12 State Government Article, the General Assembly.

13 SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take  
 14 effect ~~October 1, 2012~~ July 1, 2012. It shall remain effective for a period of 1 year and,  
 15 at the end of June 30, 2013, with no further action required by the General Assembly,  
 16 this Act shall be abrogated and of no further force and effect.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.